



Request for City Council Committee Action from the Department of Public Works

Date: September 10, 2013

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral to: Honorable Betsy Hodges, Chair Ways and Means/Budget Committee

Subject: **Organized Collection of Garbage, Recyclables, Problem Materials, and Seasonal Yard Waste, authorization to negotiate and execute agreement**

Recommendation:

Authorize the appropriate City officials to negotiate and enter into a contract with Minneapolis Refuse, Inc. (MRI) for the collection of garbage, recycling, problem materials, mattresses and yard wastes for approximately one-half of the City's dwelling units for a three-year term from February 1, 2014 through January 31, 2017, with two one year renewals.

Previous Directives:

- July 19, 2013: Authorize the proper City officials to issue a Request for Proposals (RFP) for the collection of garbage, recycling, problem materials, and seasonal yard wastes for approximately one-half of the City's dwelling units (MRI side of the City)

Department Information:

Prepared by: David Herberholz, Director, Solid Waste and Recycling Division

Approved by: _____

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: David Herberholz, Director, Solid Waste and Recycling Division

Reviews

- Permanent Review Committee (PRC): Approval ____ Date _____
- Civil Rights Approval Approval ____ Date _____
- Policy Review Group (PRG): Approval ____ Date _____

Financial Impact

- Action is within the Business Plan

Community Impact

- City Goals: Infrastructure...well-managed and maintained

Supporting Information

Background

Proposal submittals were due Monday, August 19, 2013. Six proposals and two letters of "no response" were received. Three proposals were deemed to be responsive, and qualified for committee review. Three were rejected as incomplete or not satisfying mandatory submittal requirements. A five member review panel evaluated the qualifying proposals. This panel was composed of two members from the Solid Waste and Recycling Division, and one each from Public Works Administration, Finance Department and the City Coordinator's office.

The review panel met for discussion of proposals based on the following criteria:

- Compliance with Labor Peace and City mandated insurance and bonding requirements
- Scope of Services
- Cost Effectiveness
- Collection Vehicles, Equipment and Employees
- Administrative and Management capabilities and Experience
- Customer Service History
- Financial Responsibility and Capacity

The review panel decision to select MRI as the collection contractor was unanimous. The MRI per dwelling unit fee will be \$.55 per month less than our current contract for year one and at least \$.25 per month less than our current contract for year two. This is estimated to save approximately \$348,000 for year one, and \$158,000 for year two.

The contract price will be based upon serving ½ of the dwelling units in the city (adjusted annually) at a rate of \$9.94 per dwelling unit per month during the first year, and increasing each year by the Consumer Price Index or 3%, whichever is less. This pricing structure results in a total five year contract value of approximately \$33.5 million.